

HOUSE BILL No. 1154

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1-21-5.2.

Synopsis: Senior citizen property tax credit. Provides a property tax credit payable from the property tax replacement fund to a homestead owner who is at least 65 years of age and whose adjusted gross income is less than \$30,000. Makes an appropriation.

Effective: July 1, 2008.

Tyler

January 10, 2008, read first time and referred to Committee on Ways and Means.

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Introduced

Second Regular Session 115th General Assembly (2008)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2007 Regular Session of the General Assembly.

HOUSE BILL No. 1154

A BILL FOR AN ACT to amend the Indiana Code concerning taxation and to make an appropriation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-1.1-21-5.2 IS ADDED TO THE INDIANA
2 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
3 [EFFECTIVE JULY 1, 2008]: **Sec. 5.2. (a) This section applies to:**

- 4 (1) **taxable years beginning after December 31, 2007;**
5 (2) **credit claims filed under this section after December 31,**
6 **2008; and**
7 (3) **property taxes first due and payable after December 31,**
8 **2009.**

9 (b) **The following definitions apply throughout this section:**

- 10 (1) **"Adjusted gross income" has the meaning set forth in**
11 **IC 6-3-1-3.5 for:**

- 12 (A) **an individual; or**
13 (B) **an individual and the individual's spouse in the case of**
14 **a joint adjusted gross income tax return.**

15 (2) **"Dwelling" means:**

- 16 (A) **residential real property improvements; or**
17 (B) **a mobile home or manufactured home not assessed as**



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1 real property;
 2 that an individual uses as the individual's residence.
 3 (3) "Homestead" has the meaning set forth in IC 6-1.1-20.9-1.
 4 (4) "Net property tax bill" means the amount of property
 5 taxes due and payable by an individual for a calendar year
 6 after the application of all deductions and credits, except for
 7 any credit allowed under:
 8 (A) this section; or
 9 (B) IC 6-1.1-20.6;
 10 as evidenced by the tax statement prepared and mailed under
 11 IC 6-1.1-22-8.
 12 (5) "Qualifying individual" means an individual who:
 13 (A) is at least sixty-five (65) years of age before January 1
 14 of the year in which a credit allowed under this section is
 15 received; and
 16 (B) has an adjusted gross income of less than thirty
 17 thousand dollars (\$30,000) for the taxable year preceding
 18 the year in which the individual files a certified statement
 19 under subsection (d).
 20 (c) Each year, a qualifying individual may receive a credit
 21 against the net property tax bill on the individual's homestead. The
 22 amount of the credit to which a qualifying individual is entitled
 23 equals the amount determined under STEP FOUR of the following
 24 formula:
 25 STEP ONE: Determine an amount equal to fifty percent
 26 (50%) of the net property tax bill on the homestead for the
 27 year.
 28 STEP TWO: Determine the quotient of:
 29 (A) the qualifying individual's adjusted gross income for
 30 the taxable year preceding the year in which the individual
 31 files a certified statement under subsection (d); divided by
 32 (B) thirty thousand dollars (\$30,000).
 33 STEP THREE: Determine the product of:
 34 (A) the STEP TWO result; multiplied by
 35 (B) the STEP ONE result.
 36 STEP FOUR: Determine the difference between:
 37 (A) the STEP ONE result; minus
 38 (B) the STEP THREE result.
 39 (d) An individual who desires to claim the credit under this
 40 section must file with the auditor of the county in which the
 41 individual's homestead is located a certified statement in duplicate
 42 on forms prescribed by the department of local government

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1 finance. The statement must be filed during the twelve (12) months
 2 before June 11 of the year before the year for which the individual
 3 wishes to obtain the credit under this section. The statement must
 4 contain the following information:

5 (1) The individual's full name and complete address.

6 (2) A description of the individual's homestead and the
 7 number of years that the individual has resided at the
 8 homestead.

9 (3) Proof of the individual's age.

10 (4) The name of any other county and township in which the
 11 individual owns or is buying real property.

12 (5) The amount of the individual's adjusted gross income.

13 (6) Any other information requested by the department of
 14 local government finance.

15 (e) If two (2) individuals own a homestead under a tenancy by
 16 the entirety and one (1) or both of the individuals meet the
 17 eligibility requirements of this section, the individuals together
 18 may receive only one (1) credit under this section.

19 (f) If an individual who receives the credit under this section
 20 changes the use of the individual's homestead so that the
 21 homestead no longer qualifies for the credit under this section, the
 22 individual must file with the auditor of the county in which the
 23 homestead is located a certified statement notifying the auditor of
 24 the change of use not later than sixty (60) days after the date of the
 25 change. An individual who changes the use of the individual's
 26 homestead and fails to file the statement required by this
 27 subsection is liable for the amount of the credit allowed under this
 28 section after the change.

29 (g) A county auditor with whom a statement is filed under
 30 subsection (d) shall immediately prepare and transmit a copy of
 31 the statement to the auditor of any other county in which the
 32 individual who claims the credit owns or is buying real property.
 33 The auditor of the other county shall:

34 (1) note on the copy of the statement whether the individual
 35 has claimed a credit under this section for a homestead
 36 located in the other county; and

37 (2) return the copy to the auditor of the first county.

38 (h) Upon receiving a proper statement, a county auditor shall:

39 (1) allow the credit;

40 (2) apply the credit equally against each installment of
 41 property taxes payable in that calendar year; and

42 (3) include the amount of the credit applied against each

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installment of taxes on the tax statement required under
IC 6-1.1-22-8.

(i) After January 31 and before February 16 of each year, each county auditor shall certify to the department of local government finance the number and amounts of credits allowed under this section for the calendar year. Upon receiving the certifications, the department of local government finance shall determine the total amount of the credits allowed in each county under this section and shall certify the totals to the department when the department of local government finance certifies the total county tax levies. The department shall distribute to each county the amount of credits certified for that county by the department of local government finance at the same time and in the same manner as the department distributes the county's estimated distribution under section 4 of this chapter. Money is appropriated from the property tax replacement fund in an amount sufficient to make the distributions required by this subsection. The money appropriated by this subsection shall be in addition to the appropriation to the property tax replacement fund board for property tax replacement credits and homestead credits. This appropriation may not be reduced by any provision restricting the amount of an appropriation to the property tax replacement fund board.

(j) If an individual knowingly or intentionally files a false statement under this section, the individual must pay the amount of any credit the individual received because of the false statement plus a penalty of ten percent (10%) of the credit to the department of local government finance for deposit in the property tax replacement fund.

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